Annual Report

Health Information Services of Manitoba (HISM) Corporation

For the Year Ended

March 31, 2000

101-00987/

Manitoba

Memorandum

DATE: NOV 2 1 2000

TO: All MLA's

FROM: The Honourable Dave Chomiak
Minister
Manitoba Health
302 Legislative Building

PHONE:

SUBJECT: 1999/00 Annual Report - Health Information Services of Manitoba (HISM)

I am pleased to advise you that the 1999/00 Annual Report for Health Information Services of Manitoba (HISM) has now been released.

Copies are available through your respective caucus ***research*** offices.

Dave Chomiak

cc: House Critics *(2 copies)*
Legislative Library *(10 copies)*
Caucus Research Offices *(6 copies-two per caucus)*
Press Rooms *(2 copies-Rooms 245 & 247 Leg. Bldg.)*
Hansard *(2 copies-Room 43 Leg. Bldg.)*
Journals Clerk *(2 copies-Room 249 Leg. Bldg.)*
Comptroller's Division - **Memo Only** *(709-401 York Ave.)*

Annual Report

Health Information Services of Manitoba (HISM) Corporation

For the Year Ended

March 31, 2000

Management Report

The accompanying financial statements are the responsibility of the management of the Health Information Services of Manitoba (HISM) Corporation and have been prepared in accordance with generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgment regarding all necessary estimates and all other data available up to August 29, 2000.

Management maintains internal controls to properly safeguard the Corporation's assets and to provide reasonable assurance that the books and records from which the financial statements are derived accurately reflect all transactions and that established policies and procedures are followed.

The responsibility of the Provincial Auditor is to express an independent opinion on whether the financial statements of the Corporation are fairly presented in accordance with generally accepted accounting principles. The Auditors' Report outlines the scope of the audit examination and provides the audit opinion.

On behalf of HISM,

Gerry Gaudreau
Treasurer,
Government Information Systems Management Organization (Man) Inc.

August 29, 2000

Office of the Provincial Auditor

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT

To the Shareholder of Health Information Services of Manitoba (HISM) Corporation
To the Legislative Assembly of Manitoba

We have audited the balance sheet of the Health Information Services of Manitoba (HISM) Corporation as at March 31, 2000 and the income statement for the year then ended. The financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2000 and the results of its operations for the year then ended in accordance with generally accepted accounting principles.

David Petrie

Winnipeg, Manitoba
August 29, 2000

David Petrie, CA
for the Provincial Auditor

Health Information Services of Manitoba (HISM) Corporation

Balance Sheet

as at March 31, 2000

Assets

	2000	1999
Accounts Receivable – Province of Manitoba	$ -	$ 10
Deferred Development Costs (Notes 1,2 and 3)	-	16,294,716
	$ -	**$16,294,726**

Liabilities

Deferred Accounts Payable (Notes 1 and 4)	$ -	$ 3,539,586
Accrued Liability (Note 1)	-	11,900,000
Due to Government Information Systems Management Organization (Man) Inc. (Note 1)	-	855,130
	$ -	**$16,294,716**

Shareholder's Equity

Share Capital		
Authorized – Unlimited Common Shares		
Issued - 1 Common Share (Note 1)	$ -	$ 10
	$ -	**$16,294,726**

Approved by the Board of Directors of
Government Information Systems Management Organization (Man) Inc.

See accompanying notes to the financial statements.

Health Information Services of Manitoba (HISM) Corporation

Income Statement

For the Year Ended March 31, 2000

	2000	1999
Revenue:		
Province of Manitoba	$ -	$8,099,127
Expenditure:		
Write down of Deferred Development Costs	-	8,099,127
Revenue over expenditure	-	-

See accompanying notes to the financial statements.

Health Information Services of Manitoba (HISM) Corporation
Notes to the Financial Statements
March 31, 2000

1. Nature of Organization

The Health Information Services of Manitoba (HISM) Corporation was incorporated under Articles of Incorporation of Manitoba dated December 4, 1995. The sole shareholder of HISM is Government Information Systems Management Organization (Man) Inc. (GISMO).

The purpose of the Corporation was to serve as an administrative/financial vehicle responsible for the implementation of the Province's Health Information Network Project and to acquire and hold assets related to the project.

The Corporation received staff support from the Department of Health.

The Corporation was economically dependent on the Province of Manitoba.

During the 1999-2000 fiscal year, in concurrence with the Government of Manitoba, the directors of GISMO initiated the wind down of HISM. All assets and liabilities of HISM as at March 31, 1999 were transferred, as at April 1, 1999, to the Province of Manitoba in consideration for the discharge of all advances outstanding by the corporation to GISMO. Title to the deferred development costs was transferred to the Province of Manitoba as of April 1, 1999.

2. Significant Accounting Policies

a) Basis of Reporting

The financial statements of the Corporation are presented in accordance with generally accepted accounting principles.

b) Deferred Development Costs

Development costs incurred to develop the Health Information Network were recorded at cost. Deferred development costs also included interest charges incurred on deferred accounts payable.

As modules of the Health Information Network project were completed, deferred development costs attributable to those modules were to be recorded as capital assets and amortized over future service years.

3. Deferred Development Costs

As at March 31, 2000 and 1999 deferred development costs of the Health Information Network were as follows:

	2000	1999
Health Information Network Infrastructure Design	-	8,976,304
Drug Program Information Network Expansion	-	1,963,102
Diagnostic Services Information Network	-	5,355,310
	$ -	$ 16,294,716

4. Deferred Accounts Payable

Deferred development costs were paid in accordance with a payment schedule which was negotiated with the Royal Bank of Canada, subject to mutual amendment as circumstances arose. The payment amounts included interest at a rate nominally less than the Royal Bank of Canada prime rate compounded monthly commencing thirty days after invoice date.

5. Related Party Transactions

The Corporation is related to the Province of Manitoba and its departments, agencies and Crown corporations.

The Corporation received all management, accounting and other administrative support from the Department of Health.

6. Subsequent Events

On August 24, 2000 the Directors of Government Information Systems Management Organization (Man) Inc. (GISMO) being the sole shareholder of Health Information Services of Manitoba (HISM) Corporation, passed a resolution to dissolve the corporation during the 2000-2001 fiscal year.